# COUNCIL ON EFFICIENT OPERATIONS

"Bearing Down on Efficient Public Service"

# STATUS REPORT

*February 1997*

Office of the Lieutenant Governor
*Council on Efficient Operations*
State Capitol, Room 121; Jefferson City, MO 65101
Telephone (573) 751-0382 Fax (573) 751-9612
wilson@mail.state.mo.us
http://www.state.mo.us/ltgov/homepg.htm

# Table of Contents

# CEO Members

## *Chair*

**Roger B. Wilson,** *Lieutenant Governor*

## *Members*

**Steve Stoll,** *State Representative*
**Ed Quick,** *State Senator*
**John Russell,** *State Senator*
**Jim Clay,** *Southwestern Bell*
**Jeff Hertell,** *Hertell Enterprises, Inc.*
**Mike Hartmann,** *Office of the Governor*
**Al Nilges**
**Dick Hanson,** *Office of Administration*
**Brian Goeke,** *Department of Corrections*
**Quentin Wilson,** *Department of Economic Development*
**Chris Kelly,** *Labor & Industrial Relations Commission*
**David Mitchem,** *Department of Labor & Industrial Relations*
**Benton Goon,** *Department of Mental Health*
**LaVerne Brondel,** *Department of Natural Resources*
**Chris Rackers,** *Department of Social Services*
**Clifton Jett,** *Department of Transportation*

# Summary

**This is the very perfection of a man, to find out his own imperfections.** -- *Saint Augustine*

In the past few years, Missouri State government has worked hard to improve its effectiveness and efficiency. Through the Commission on Management and Productivity and other initiatives, Missouri citizens have seen cost reductions, increased accountability, and results-oriented change. These efforts have symbolized "good government."

Adding to the effort, the Council on Efficient Operations (CEO) has begun its work seeking out state government's imperfections. By reviewing state policies, programs, and operations, the CEO is developing proposals that will rightsize state government, provide value for taxpayers, and cut red tape. To date, over 30 efficiency opportunities have been identified, with more to come.

The CEO is serving as a resource for teams of employees who wish to improve state operations. Currently, employee teams are developing, proposing, and implementing innovative solutions to a wide range of issues. Teams have formed to address vehicle management and maintenance and the inter-departmental sharing of field equipment. Groups are also reviewing the costly process of purchasing and distributing office supplies and studying how the state delivers overnight packages. These solutions will cut costs and better serve Missouri citizens.

Results of the CEO's work can be seen in dollar savings and process improvements. The CEO is committed to a state government that not only does things right, but does the right things.

# Employee Suggestion System

## *Issue:*

Many successful businesses utilize a variety of means and methods to improve the quality of their goods and services, including strategic planning and customer focus groups. Those same businesses also look to their employees for good ideas. Manufacturing businesses regularly ask employees how they might improve a product, while service organizations ask employees how they can better meet customer needs. In either case, employee input is used to improve the operations of the organization.

Companies like Ford Motor Company, Eli Lilly, Southwestern Bell, and Xerox have developed elaborate, yet easy-to-use, employee suggestion systems. Each realized that seemingly "small" suggestions could lead to enormous savings. For example, Ford saved over $1 million in heating and cooling costs by repairing drafty holes in manufacturing plant walls. These companies note that effective suggestion programs pay for themselves 10 times over.

The CEO believes that an improved employee suggestion system could provide the same results for Missouri State government. By strengthening existing suggestion programs and sharing good ideas between departments, Missouri could develop a solid foundation that continuously identifies and implements good ideas. Ultimately, improvements in the suggestion system would lead to time and money savings, streamlined processes, increased productivity, and the elimination of duplication.

## *Background:*

The CEO and departments see a strong, coordinated employee suggestion system as a vital component in state government's improvement. Improvement, however, can only be realized if the system (1) encourages employees to submit quality suggestions; (2) recognizes employees for the bright ideas; (3) and quickly implements, or responds to, all suggestions.

Departmental research shows that Missouri's suggestion systems may not fully tap employees' good ideas. Over the past several years, the number of suggestions submitted has declined. Likewise, departments report that suggestion quality has declined both in 1995 and 1996. According to departments, the following barriers have led to the decline:

- Current forms and process are cumbersome and confusing to employees, preventing them from submitting suggestions.

- Employees fear management repercussions from submitting ideas that challenge current practices.
- A general belief exists that management does not support or listen to employee suggestions.
- Some employees view departmental suggestion systems as an avenue to express concerns, rather than submit innovative ideas.
- Rewards for suggestions have been inconsistent, focusing more on financial awards (extrinsic) rather than recognition (intrinsic).
- Communication of suggestions has been minimal, causing one department to implement a change, yet not others.
- The suggestion systems do not have common components or processes for reviewing and implementing good ideas.
- There is no statewide support or encouragement of employee suggestions.

## *Action:*

To tap employee suggestions and develop Missouri's continuous improvement process, the Council on Efficient Operations plans to develop a model suggestion system in conjunction with state departments. A team of state employees and private sector individuals has been assembled to propose a flexible system, which allows departments their individuality, while coordinating policies and process across the state.

The proposed system will generate, help implement, and recognize progressive and innovative solutions submitted by state employees. By making the suggestion process more user friendly and less cumbersome, the "Employee Suggestion System Team" believes the number of quality suggestions will increase. The team will also focus on making a new system more accepted by both management and employees. Ultimately, this coordinated effort will lead to useful ideas that management and leadership can champion and implement, improving state government.

## *Timeline:*

| DATE | ACTION COMPLETED |
|---|---|
| 7/1/97 | Model Suggestion System Plan approved by Department directors and CEO |
| 6/15/97 | Plan for implementing a Model Suggestion System |
| 2/15/97 | Team Members will develop a list of resources who can assist |

# Field Equipment Sharing

## *Issue:*

Over the past twenty to thirty years, the State of Missouri has invested millions of dollars in the equipment used to move earth, plow snow, lift heavy objects, and haul material. While those purchases were necessary to build, run, and manage our highways, prisons, parks, and other natural areas, the CEO believes its time to re-think our operations and equipment purchases.

When our departments of transportation, corrections, natural resources, conservation, and agriculture began their work building Missouri's infrastructure, they needed a great deal of equipment. Each department required their own, full-time equipment. Today, however, many departments have under-utilized equipment. Single facilities no longer have the need for so much equipment. Thus, to reduce investment costs and optimize current investment, the CEO and state departments are looking for ways to lease or rent equipment that is seldomly used, and looking to share under-utilized equipment between departments.

## *Background:*

In the past two years, individual departments have begun to "regionalize" their equipment. Meaning, within a department, individual sites, divisions, or locations are finding ways to share resources with others. As an example, all correctional institutions in the St. Louis area would share common bulldozers, backhoes, and other heavy equipment. This would optimize the use of equipment, and help reduce the state's investment. While several departments are taking similar actions, opportunities may exist to share equipment across agency lines.

When a state park, nature preserve, correctional facility, and transportation garage are located within the same county or just a few miles of each other, shouldn't they consider sharing equipment? In fact, departments do want to share their equipment and reduce operational costs. Yet, several barriers prevent the sharing of equipment, including:

- Departments have no common knowledge or database of what equipment is owned, or where it is located
- Each department has a different description of equipment – what is listed as a bulldozer in one department may be called something different in another department.
- There is no financial incentive or repayment mechanism for interdepartmental equipment sharing.

- There are no formal policies, procedures, or agreements that guide the sharing of equipment between departments.

## *Action:*

The CEO and departments believe that leasing some equipment, rather than owning can reduce the cost of field equipment operation. Likewise, they believe that interdepartmental sharing will optimize the state's investment value and reduce overall operational costs. To reach this vision, the following actions and objectives have been established:

- Develop a shared equipment scheduling tool and database
  - standardize departments' individual inventories (descriptions, data fields, data collected)
  - review pre-packaged software that can be used by all agencies
- Develop a mechanism for "repayment"
  - review revolving funds and other options
  - research private sector rental rates
- Develop policies and procedures for shared resources
  - develop a preventative maintenance program
  - develop operational guidelines
- Decrease the investment in equipment
  - utilize more private firms for leasing/rental
  - cooperative purchasing of equipment
  - determine which agencies currently lease what equipment
  - cost/benefit analysis of leasing versus owning

# Housekeeping Service

## *Issue:*

The trend in state government toward privatization is a positive effort, with proven results. Over the past 10 years, the Office of Administration, Division of Facilities Management has been contracting housekeeping services in numerous state office buildings. While their primary focus has been to provide better quality service, they have also been able to reduce costs.

## *Background:*

The ability to utilize private sector firms produces quality services at affordable prices. In the last 20 years, the Division of Facilities Management has been able to reduce 55 custodial workers from its workforce, saving thousands of dollars. At the same time, the state has maintained its high standards for building cleanliness.

Privatization of services has been conducted on a building by building basis. It has also been implemented without layoffs, utilizing attrition and retraining to rightsize the workforce. An example of savings follows.

### *Wainwright State Office Building – Custodial Privatization*

| FTE | Employee Classification | | Total Yearly Cost (Salary & Benefits) |
|---|---|---|---|
| **FY 1986** ***(in 1991 dollars)*** | | | |
| 13 | Custodial Worker I | | $185,445.00 |
| 4 | Custodial Worker II | | $64,560.00 |
| | | ***FY86 Sub-Total*** | **$250,005.00** |
| **FY 1991** ***(in 1991 dollars)*** | | | |
| 5 | Custodial Worker I | | $71,326.00 |
| 1 | Custodial Worker II | | $16,140.00 |
| | Privatized Service | | $118,140.00 |
| | | ***FY91 Sub-Total*** | **$205,606.00** |
| | | ***ANNUAL SAVINGS*** | **$44,399.00** |

# Payroll/Personnel

## *Issue:*

In reviewing the efficiency efforts of other states, the CEO found that several states had privatized several payroll and personnel functions. Often, states utilized private firms to print and distribute payroll checks. Likewise, some states utilize private sector firms in employee training, benefit plans, and records administration. As other states have experienced, Missouri State government could potentially reduce costs by increasing the role that private firms play in the state's payroll and personnel administration.

## *Background:*

Research by the Office of Administration, Division of Personnel and Division of Accounting shows that no major employer has attempted to contract for ongoing personnel management functions. While many small organizations privatize their entire payroll and personnel functions, larger employers have only successfully outsourced record keeping.

Human resources management requires continuous involvement in the employer's operations. It is important for those individuals engaged in policy development and implementation of compensation, employment, and employee relations to have depth and continuity in their knowledge of the employer's vision, goals, policies, and practices. For organizations as large as Missouri State government, research suggests that this knowledge is best found in internal payroll and personnel administration

When considering the privatization of some payroll functions, such as check printing, research also suggests that large employers can do this more efficiently than private firms. Likewise, the NASACT State Government Payroll group notes the low cost to states for this function, when tied to the functions of employee time reporting, leave balances, deductions, tax withholding, employee benefits, and state and federal taxes.

## *Action:*

Since research shows no large employers to have privatized payroll and personnel functions, the CEO believes that no further action is necessary. However, the CEO urges the continuous review and streamlining of payroll and personnel policies, practices, and functions to optimize the efficiency of the state's system.

# Shared Government Offices & Facilities

## *Issue:*

Missouri State government owns or leases hundreds of buildings throughout the state. Whether it's a social services office at the county level, or a state owned building in Jefferson City, each facility incurs daily operational costs. The CEO believes that the state's cost for buildings can be reduced by (1) sharing office space between departments and varying levels of government, (2) managing office space use, and (3) utilizing new technologies that minimize space requirements, i.e. telecommuting and non-territorial office space.

## *Background:*

In the past several years, the Office of Administration, Division of Facilities Management has made great strides at managing and optimizing state office space. Recently, the division published the "State of Missouri Office Space Guidelines." This publication guides departmental use of existing space.

Working with the CEO, Facilities Management is hoping to find opportunities to co-locate offices. For instance, the Departments of Health, Social Services, and Economic Development may be located within one building, rather than utilize multiple sites. All parties involved believe that co-location will better serve customers in a one-stop environment, while also reduce costly building overhead. Barriers to co-location include:

- Lease terms
- Legal issues that restrict sub-leasing state space
- Security issues
- Technology – wiring and communications requirements
- Traffic flow and aesthetic issues
- Need for Common areas

## *Action:*

The CEO Shared Government Offices & Facilities Team is working on several solutions to reduce the cost of office space. Their primary focus is on expiring leases. As leases expire, the team will work with departments to try and co-locate functions and services. In most cases, multiple departments' leases expire within the same time frame. Expiring leases lend to the ease of co-location. Additional solutions include: work station sharing, telecommuting, and wiring standardization.

# Statewide Delivery Systems

## *Issue:*

Missouri State government regularly ships goods and materials throughout the state and nation. Whether the package is a special delivery to a citizen, legal documents to the federal government, or furniture to local offices, state departments require timely, reliable, low cost delivery methods.

In the past, individual departments developed elaborate systems for moving material. Departments created delivery routes and schedules, purchased delivery vehicles, and hired staff. Those systems are appropriate, if it allows the state to deliver packages at the lowest cost and best service. However, with 16 state agencies delivering, there is inherent duplicity. In fact, state delivery vehicles often follow each other down the highway. More recently, departments have begun relying on delivery services like UPS, Federal Express, and Lanter Courier. Private sector involvement has reduced many of the state's duplicative services and has reduced costs. Yet, the CEO believes increased private sector involvement and departmental coordination could cut costs dramatically.

## *Background:*

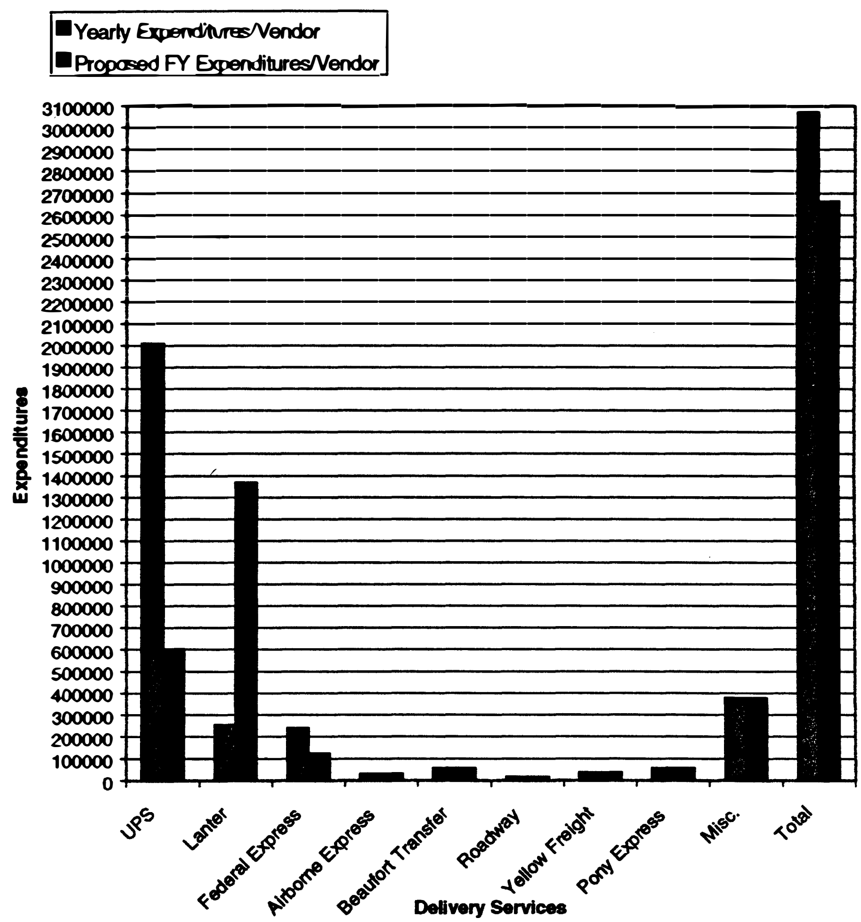
The CEO and state departments agree that duplication of delivery services can be eliminated, and they agree that costs can be reduced. Yet, potential solutions are numerous and complex. No one department, nor their deliveries, is similar. For instance, the Department of Revenue tends to deliver large pallets of license plates to its regional offices. On the other hand, the Department of Social Services delivers packages that weigh less than 50 pounds to its county offices. Thus, any solution must be flexible enough to meet each department's needs.

As seen in other states and business, multiple delivery mechanisms are needed. The most appropriate and efficient delivery mechanism is determined by package size, weight, location, and timeliness. Since 75 – 90% of state's delivery volume weighs between 1 and 100 pounds, the CEO has focused on this class of shipments. Generally, those packages are shipped overnight through UPS, Federal Express, or Lanter Courier. Currently, departments ship with these services as they deem appropriate – there is no statewide contract for delivery services.

## *Action:*

The CEO has focused its main attention on packages weighing less than 100 pounds, since it constitutes the bulk of state's shipping. After reviewing each department's expenditures, the CEO Statewide Delivery System Team believes that over $400,000 can be saved by changing delivery services. UPS and Federal Express are used over other one-day services. The team suggests that those packages shipped within the state be sent through Lanter Courier, whose charges are 10 – 50% lower than the other services. Current and projected delivery expenditures by vendor are graphed below.

***Statewide Delivery Expenditures***
1996 Actual and Future Projection



These projections were based on actual expenditures by department, by vendor. The following chart displays total savings by department, after a percentage shift in business from UPS and Federal Express to Lanter Courier.

## Delivery Expenditures & Projected Savings

*(Projections based on Oct - Dec 1996 actual expenditures)*

| AGENCY NAME | YEARLY TOTAL | UPS SAVINGS* | FED EX SAVINGS** | PROJECTED SAVINGS |
|---|---|---|---|---|
| SENATE | $4,944.04 | ($105.88) | ($1,084.76) | ($1,190.64) |
| HOUSE OF REPRESENTATIVES. | $6,024.44 | ($941.89) | ($160.55) | ($1,102.44) |
| JUDICIARY | $50,177.88 | ($7,875.37) | ($1,144.94) | ($9,020.31) |
| GOVERNOR | $3,457.84 | ($558.92) | ($66.00) | ($624.92) |
| LT. GOVERNOR | $557.80 | | ($139.45) | ($139.45) |
| SECRETARY OF STATE | $42,505.68 | ($4,738.83) | ($3,818.41) | ($8,557.24) |
| STATE AUDITOR | $2,326.28 | ($301.05) | ($151.50) | ($452.55) |
| STATE TREASURER | $1,954.40 | | ($488.60) | ($488.60) |
| ATTORNEY GENERAL | $40,046.52 | | ($4,867.51) | ($4,867.51) |
| OFFICE OF ADMINISTRATION | $32,115.00 | ($960.45) | ($1,979.28) | ($2,939.73) |
| DEPT. OF AGRICULTURE | $50,446.92 | ($7,580.33) | ($1,775.57) | ($9,355.90) |
| DEPT. OF CONSERVATION | $133,242.48 | ($22,434.49) | ($1,086.59) | ($23,521.08) |
| DEPT. OF CORRECTIONS | $106,752.12 | ($4,275.68) | ($1,718.60) | ($5,994.28) |
| DEPT. OF ECONOMIC DEVELOPMENT | $110,657.28 | ($12,324.68) | ($6,920.65) | ($19,245.33) |
| DEPT. OF ELEMENTARY & SEC. ED. | $223,155.08 | ($34,309.70) | ($2,369.46) | ($36,679.16) |
| DEPT. OF HEALTH | $328,017.84 | ($31,942.99) | ($1,809.26) | ($33,752.25) |
| DEPT. OF HIGHER EDUCATION | $21,542.28 | ($840.00) | ($4,185.57) | ($5,025.57) |
| DEPT. OF INSURANCE | $8,970.24 | | ($2,242.56) | ($2,242.56) |
| DEPT. OF LABOR AND INDUSTRIAL REL. | $29,002.32 | ($3,317.41) | ($2,473.03) | ($5,790.44) |
| DEPT. OF MENTAL HEALTH | $37,063.32 | ($2,211.06) | ($4,889.37) | ($7,100.43) |
| DEPT. OF NATURAL RESOURCES | $74,505.92 | ($10,928.46) | ($2,846.56) | ($13,775.02) |
| DEPT. OF PUBLIC SAFETY | $79,174.32 | ($11,288.48) | ($3,598.10) | ($14,886.58) |
| DEPT. OF REVENUE | $858,344.96 | ($140,174.64) | ($1,246.61) | ($141,421.25) |
| DEPT. OF SOCIAL SERVICES | $381,579.44 | ($45,823.01) | ($7,406.66) | ($53,229.67) |
| DEPT. OF TRANSPORTATION | $72,231.80 | ($8,348.76) | ($1,423.75) | ($9,772.51) |
| PROJECTED ANNUAL TOTALS | $2,698,796.20 | ($351,282.06) | ($59,893.34) | ($411,175.40) |
| PROJECTED MISC. | $372,000.00 | | | |
| PROJECTED GRAND TOTAL | $3,070,796.20 | | | $2,659,620.80 |

| PROJECTED SAVINGS | $411,175.40 |
|---|---|

* assumes a minimum 25% savings on the 70% of packages delivered in-state

** assumes a minimum 50% savings on the 50% of packages delivered in-state

1 both savings projects are based on actual cost of in-state courier vs. national carriers that deliver in-state.

The CEO and Office of Administration, Division of Purchasing are developing contracts to maintain the projected savings and comply with procurement statutes. Likewise, the CEO is exploring (1) the increased use of U.S. Mail Red Bags; (2) having new equipment and supplies shipped by the manufacturer directly to the site of use; (3) disposing surplus property locally rather than through the Jefferson City Surplus Property; and (4) direct depositing employee checks rather than mailing or shipping them.

# Supply Acquisition and Distribution

## *Issue:*

Providing employees with quality, dependable office supplies seems like a relatively easy function. However, state government has invested a great deal of time and money surveying, bidding, ordering, and inventorying office supplies. In fact, estimates by other states suggest procuring and tracking office supplies is more costly than the office supplies. When considering the complex ordering and accountability systems departments have constructed, along with the warehousing and shipping of bulk office supplies, research suggests the $0.10 pencil really costs $1.50. Multiplied across many different types of supplies, and the number of supplies used, the cost to state government is enormous. By reviewing the process by which agencies order, ship, and receive office supplies, the CEO feels the cost of providing needed office supplies can be reduced.

## *Background:*

For many years, state agencies have ordered bulk office supplies directly from retailers and manufacturers. These supplies have included folders, binders, paper, pens and pencils, janitorial supplies, forms, and booklets. Generally, bulk supplies were procured due to a belief that it was more efficient, because of a low per item cost. However, the per item cost has not always included (1) storing, (2) shipping, (3) shelf spoilage, and (4) waste.

As the CEO and departments review procurement procedures, the following issues have been considered and discussed:

- State government needs to purchase and use recycled products.
- Agencies have warehouses filled with office supplies.
- Employees often need supplies delivered in one day.
- Some agencies have costly excess supply inventory and spoilage.
- Costs are incurred by shipping to local offices from Jefferson City.
- Agencies often do not pre-plan what they need and have poor inventory control.
- Agencies fill up their warehouses at the end of the year, due to end of year expenditures.

## *Action:*

The CEO Supply Acquisition and Distribution team has been researching different methods of procuring office supplies. The team has focused its attention on just-in-time inventory systems, where local offices could purschase directly from a vendor. It is believed that such a system would reduce many of the steps and costs involved in ordering supplies. Thus, local offices would be able to procure supplies directly for an established vendor, rather than having an employee send a purchase request to their supervisor, who sends it to their the district manager, who sends it to the centralized purchasing office, who sends it to the vendor. Such a change would allow accountability, yet reduce the cost duplicative steps. Furthermore, the just-in-time inventory system would allow departments to reduce warehouse space and shipping charges.

Other solutions the team is considering include:

- Revised and tight policy and administrative controls
- Use of Procurement Card
- Better storgage management
- Educate on how to operate more efficiently
- Central warehouse/agency warehouse
- Reduction of delivery costs by having local vendors deliver directly.
- Change of product type
    - i.e. MoDOT has reduce the cost of toilet paper by 50% by converting to larger roles.

# Vehicle Management & Maintenance

## ***Issue:***

Missouri State government, like most corporations and other states, utilizes vehicles to transport passengers, haul material, patrol highways, and provide other services. These vehicles, like any individually owned automobile, have lifecycle costs that can become quite expensive if not monitored and controlled. When private citizens examine their automobile's lifecycle cost, they must total the purchase price, fuel and oil expenditures, and maintenance and repair charges, while also deducting the resale value. Ultimately, this figure would equate to a per mile charge, as in the following example:

$$\frac{\text{Purchase Price (\$15,000) + Fuel/Oil (\$3,500) + Repairs (\$2,500) – Resale (\$4,000)}}{\text{75,000 miles}}$$

From this calculation, the owner can find that the automobile is costing around $0.23 per mile. Likewise, with this calculation, the individual can determine when to purchase a new automobile. For instance, at 80,000 miles, the automobile may need certain manufacturer recommended repairs that would increase the total lifecycle cost. The owner may see that his cost per mile would increase greatly, and determine that it was time to sell the vehicle.

While individual owners may be able to utilize this simple calculation, Missouri State government has generally not applied the same principle. The CEO Vehicle Management and Maintenance Team believes that the cost of operating state vehicles can be reduced by tracking and reviewing lifecycle costs in a coordinated or consolidated vehicle management system. In turn, state government could collaboratively address efficiency issues in purchase price, fueling and repairing vehicles, and administrative costs.

## ***Background:***

In a review of other states and large businesses, CEO research finds that centralized fleets had the most efficient cost per mile. These fleet sizes ranged between 3,500 and 7,000 vehicles, which were typically located in the Office of Administration or Department of Transportation. To attain their low lifecycle cost, states took the following actions:

- privatized repairs and maintenance
- utilized private sector fuel cards, eliminating internal cards and fuel stations
- reduce the total vehicles size

- leased or rented vehicles to meet overflow needs on a daily basis, rather than own excess vehicles
- managed their fleet by selling vehicles between 40,000 - 50,000 miles, reducing the lost value of surplusing property

The CEO believes that many of the same solutions can help reduce the cost of Missouri State government's vehicle fleet. The CEO's believe is consistent with the 1988 review by Ernst & Whinney consultants. Each suggests that state government develop a mechanism to collectively track the state's vehicles. Currently, each department, and in many cases each department's divisions, tracks their vehicles differently. Some departments have computerized systems that maintain records from model type to fuel efficiency to when the battery was last checked. Other departments simply track mileage on a 3" x 5" index card in the glove compartment.

## State Vehicles By Department

| ***Departments*** | ***Dept. Survey Response*** | ***# of licensed vehicles*** |
|---|---|---|
| Administration | 93 | 114 |
| Agriculture | 236 | 267 |
| Conservation | 839 | 2424 |
| Corrections | 342 | 575 |
| Economic Development | 93 | 93 |
| Elementary & Secondary Education | 198 | 198 |
| Health | 231 | 231 |
| Higher Education | 2,019 | 2,019 |
| Insurance | 5 | 5 |
| Labor & Industrial Relations | 27 | 29 |
| Mental Health | 724 | 698 |
| Natural Resources | 565 | 736 |
| Public Safety | 202 | 115 |
| Revenue | 48 | 196 |
| Social Services | 315 | 330 |
| Transportation | 1,881 | 4,725 |
| *Sub-Total* | 7,818 | 12,755 |
| ***Elected Officials*** | | |
| Governor | 2 | 2 |
| Lieutenant Governor | 0 | 0 |
| Secretary of State | 12 | 12 |
| Attorney General | 25 | 25 |
| State Treasurer | 2 | 2 |
| State Auditor | 3 | 3 |
| House of Representatives | 2 | 2 |
| Senate | 2 | 2 |
| *Sub-Total* | 48 | 48 |
| **Total** | **7,866** | **12,803** |

According to the Department of Revenue, state government has nearly 13,000 licensed vehicles. While some are owned by local school districts, colleges, and universities, over half are directly operated by state departments. The CEO believes that a vehicle management program will dramatically reduce the cost to operate state vehicles.

## *Action:*

The CEO team is working to implement a variety of solutions. First, though, it is attempting to gather more information on the current status of departmental fleets. By conducting a cost/benefit analysis, the team hopes to set standards for how long a vehicle should be kept, before repair costs drive up the lifecycle costs. Likewise, the team is considering whether it is more beneficial to buy vehicles that hold their value longer, for instance, purchasing Jeep Cherokees over mid-sized sedans.

In the process of developing a centralized or coordinated fleet, the following solutions will be explored and incorporated as possible.

- vehicle re-sale, similar to Highway Patrol's program.
- Purchasing specifications – it may be less expensive to purchase mid-size vehicles, since their repair bills are less than compacts, or if manufacturer warranties can be used, it may be cheaper to utilize compact cars rather than mid-sized.
- Maintenance cost reduction – through warranty work, private vendors, and increased inmate labor.
- Consolidation of state-owned maintenance facilities.
- Leasing/renting versus purchasing.

# Other Projects

- Administrative Rules
- Procurement Cards
- Driver's License Exams
- Fiscal Note Process
- Highway Rest Area Maintenance
- Professional Registration
- State Issued Permits
- State Park Lodges & Concessions
- State Travel
- Tax Collection & Processing
- Vendor Checks
- Worker's Compensation Administration